

§ 203.50

30 CFR Ch. II (7–1–99 Edition)

(f) Provisions related to discontinuing relief §§ 203.54 and 203.78.

Full royalty resumes when—	End-of-life lease	Deep water expansion project	Pre-act deep water lease
Average NYMEX price for last 12 months is at least 25 percent above the average for the qualifying months	x		
Average NYMEX price for last 12 months exceeds \$28/bbl or \$3.50/mcf, escalated by the gross domestic product deflator since 1994		x	x

(g) Provisions related to the end, loss or reduction of relief in §§ 203.55 and 203.76.

Relief withdrawn or reduced	End-of-life lease	Deep water expansion project	Pre-act deep water lease
Recipient so requests	x		
Lease rate is at the effective rate for 12 consecutive months	x		
Conditions that we may specify in the approval letter in individual cases actually occur	x		
Not submitting post-production report that compares expected to actual costs		x	x
Change of development system		x	x
Excess delay in starting fabrication		x	x
Spending less than 80 percent of proposed pre-production costs but notifying us in post-production report		x	x
Amount of relief volume is produced		x	x

Subpart B—OCS Oil, Gas, and Sulfur General

SOURCE: 63 FR 2618, Jan. 16, 1998, unless otherwise noted.

ROYALTY RELIEF FOR END-OF-LIFE LEASES

§ 203.50 Who may apply for end-of-life royalty relief?

You may apply for royalty relief in two situations.

(a) Your end-of-life lease (as defined in § 203.2) is an oil and gas lease and has average daily production of at least 100 barrels of oil equivalent (BOE) per month (as calculated in § 203.73) in at least 12 of the past 15 months. The most recent of these 12 months are considered the qualifying months. These 12 months should reflect the basic operation you intend to use until your resources are depleted. If you changed your operation significantly (e.g., begin re-injecting rather than recovering gas) during the qualifying months, or if you do so while we are processing your application, we may defer action on your application until

you revise it to show the new circumstances.

(b) Your end-of-life lease is other than an oil and gas lease (e.g., sulphur) and has production in at least 12 of the past 15 months. The most recent of these 12 months are considered the qualifying months.

[63 FR 2618, Jan. 16, 1998, as amended at 63 FR 57249, Oct. 27, 1998]

§ 203.51 How do I apply for end-of-life royalty relief?

You must submit a complete application and the required fee to the appropriate MMS Regional Director. Your MMS regional office will provide specific guidance on the report formats. A complete application for relief includes:

- (a) An administrative information report (specified in § 203.83) and
- (b) A net revenue and relief justification report (specified in § 203.84).

§ 203.52 What criteria must I meet to get relief?

(a) To qualify for relief, you must demonstrate that the sum of royalty payments over the 12 qualifying